



# **Civil Service Reform: Building Human Resource Excellence for Tomorrow**

Information & Feedback Sessions  
August - September 2003  
Department of Personnel

# Purpose of the Presentation

- ◆ Give employees an opportunity to view the proposed changes first hand
- ◆ Answer as many questions as possible
- ◆ Gather your feedback

# Personnel System Reform

- ◆ Personnel System Reform Act of 2002 has three key components:
  - Collective bargaining
  - Competitive contracting
  - New human resource system
- ◆ All components to be implemented by July 2005.
- ◆ Our focus is on redesign of the state's human resource system.

# New Human Resource System

- ◆ Replaces 43-year-old civil service system.
- ◆ Applies fully to those not in bargaining units.
- ◆ Parts may be superceded for employees in bargaining units.



# Research of Other Employers

- ◆ DOP conducted extensive research during the summer and fall of 2002.
- ◆ Looked at trends and best practices among other public and private sector employers
  - All 50 states, federal and local government, other countries.
  - Selected universities, private sector, and HR organizations.
  - Dozens of reports, articles, books, and Web sites.

# Customer Research Phase 1

- ◆ Extensive surveys of state employees, managers, and human resource staff conducted summer 2002.
  - Approximately 4,200 respondents representing broad cross section of agencies and job levels
- ◆ Focus groups and feedback forums
  - 50+ employee sessions throughout the state
  - Estimated 3,000 attended
- ◆ On-going feedback forum on Web site

# Concept Teams

- ◆ Interagency teams made up of managers, human resource professionals, and union representatives developed initial design recommendations for key components of new system
- ◆ DOP selected most viable options that met intent of the legislation.

# Customer Research Phase 2

- ◆ Design recommendations presented to a broader audience for feedback during May and June 2003:
  - Management teams of 34 state agencies
  - Employee and HR focus groups
  - Web site posting and online feedback forum
- ◆ System design was further refined based on this feedback.



# Classification & Compensation System

A photograph of the Oregon State Capitol building, a large, light-colored stone structure with a prominent dome and classical architectural features. In the foreground, there is a large, active fountain with multiple water jets spraying upwards and outwards. The scene is set against a clear blue sky, with green trees and a well-maintained lawn surrounding the building.

# Reform Act Requirements

- ◆ Improve effectiveness and efficiency of service delivery.
- ◆ Substantially reduce the number of job classifications.
- ◆ Facilitate effective use of state personnel resources.
- ◆ Be responsive to changing technologies, economic and social conditions, and needs of citizens.
- ◆ Value workplace diversity.
- ◆ Facilitate reorganization and decentralization of services.
- ◆ Enhance mobility and career advancement.

# Present System

- ◆ There are currently 2,400 job classes for general government and higher education.
- ◆ Each job class is assigned to one of 83 narrow salary ranges.
- ◆ Each salary range is made up of 11 pre-defined steps (A-K) of approx. 2.5%.
- ◆ It takes 4 1/2 years to go from step A to K.
- ◆ Nearly two-thirds of classified employees are at step K.



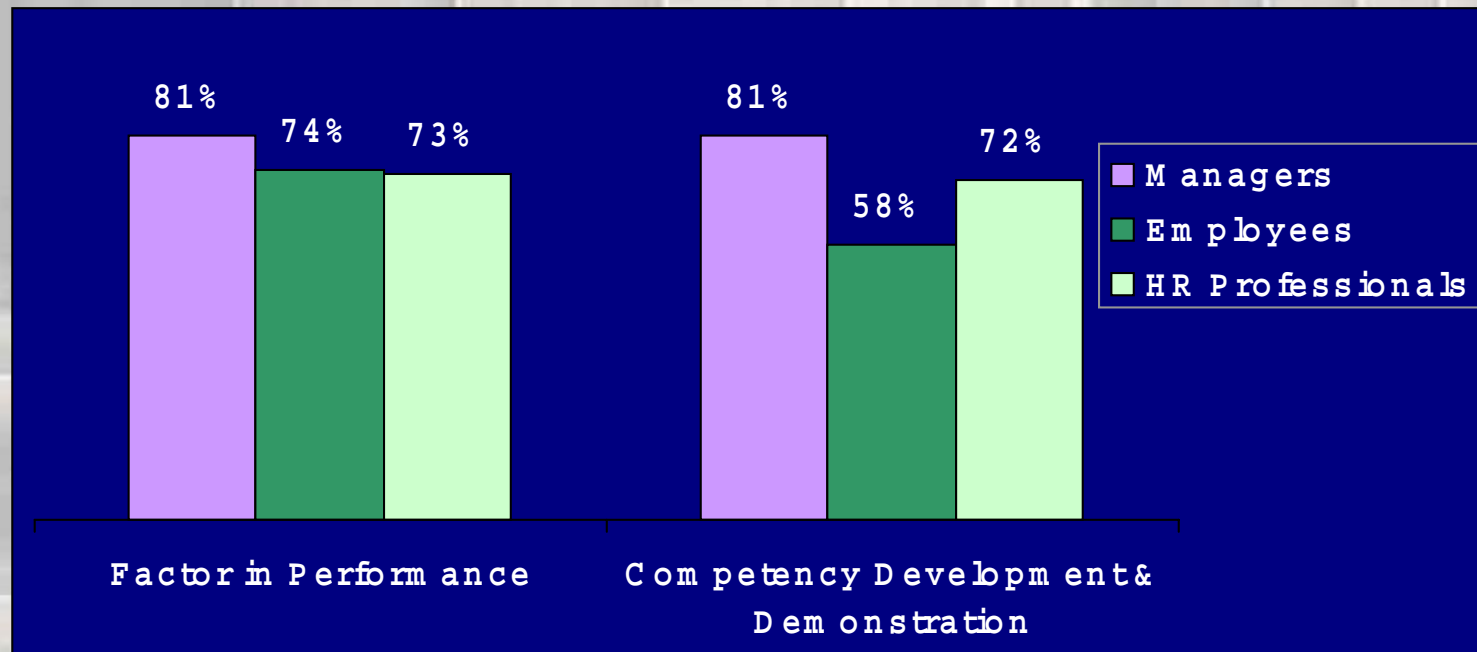
# Problems with Present System

- ◆ Can be an obstacle to recruiting and retaining top performers or those with special skills.
- ◆ Provides little flexibility to adapt to changing technologies, customer needs, etc.
- ◆ Encourages proliferation of classes.
- ◆ Does not facilitate employee mobility or career paths.
- ◆ Provides little recognition for excellent performance.



# Customer Research Findings

Majority felt other factors need to be considered in determining salary instead of or in addition to longevity

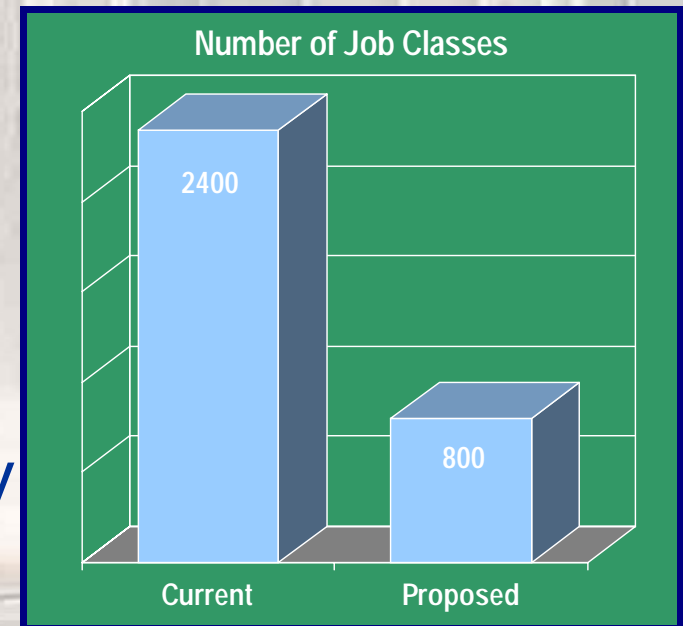


# Trends and Best Practices

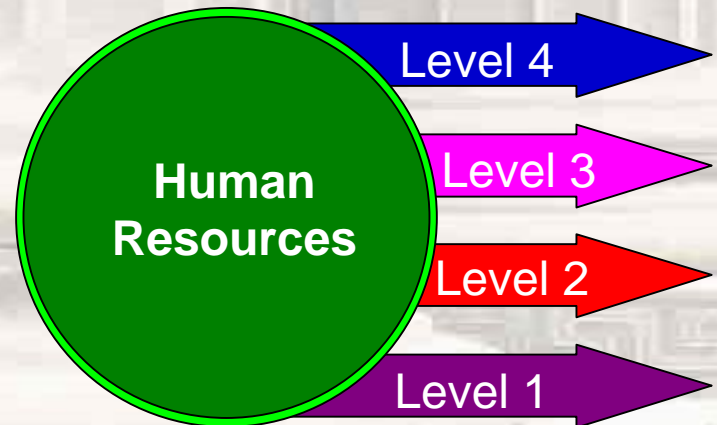
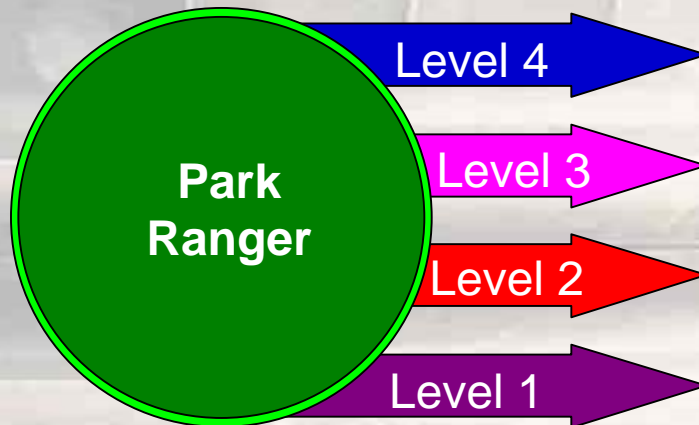
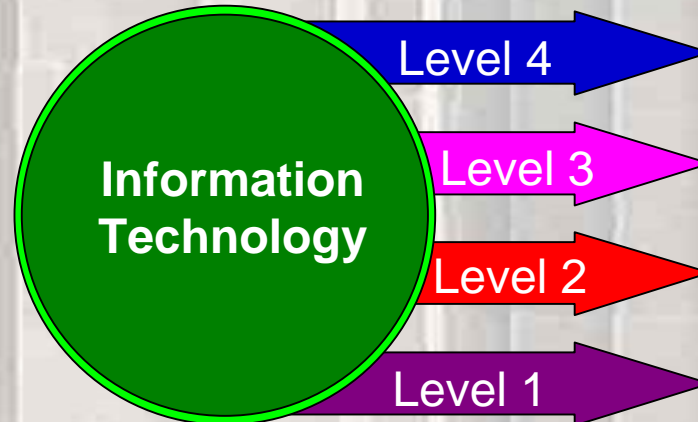
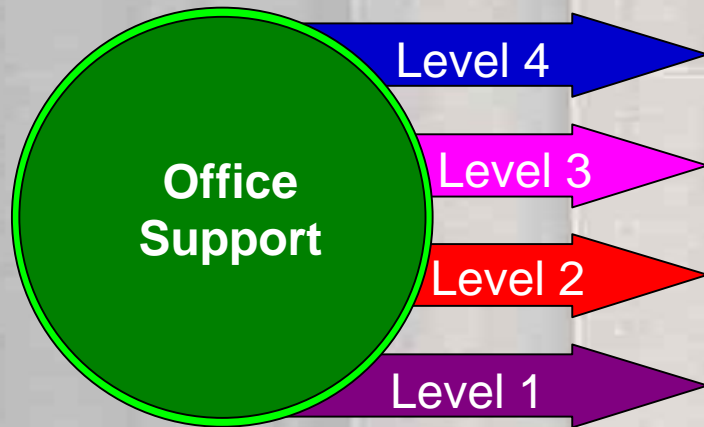
- ◆ Overall trend in other states is towards reducing the number of job classifications.
- ◆ Many states are moving towards more flexible systems that recognize factors such as:
  - Labor market shortages
  - Education, training, and skill development
  - Performance awards for both individuals and groups
- ◆ Average number of salary ranges is 37 compared to Washington's 83.

# New Classification System

- ◆ Consolidates current job classes into broad occupational categories.
- ◆ Four levels within most occupational categories:
  - Level 1
  - Level 2
  - Level 3
  - Level 4
- ◆ Result would be approximately 800+ job classes.
- ◆ Salary ranges consolidated into fewer, wider bands.

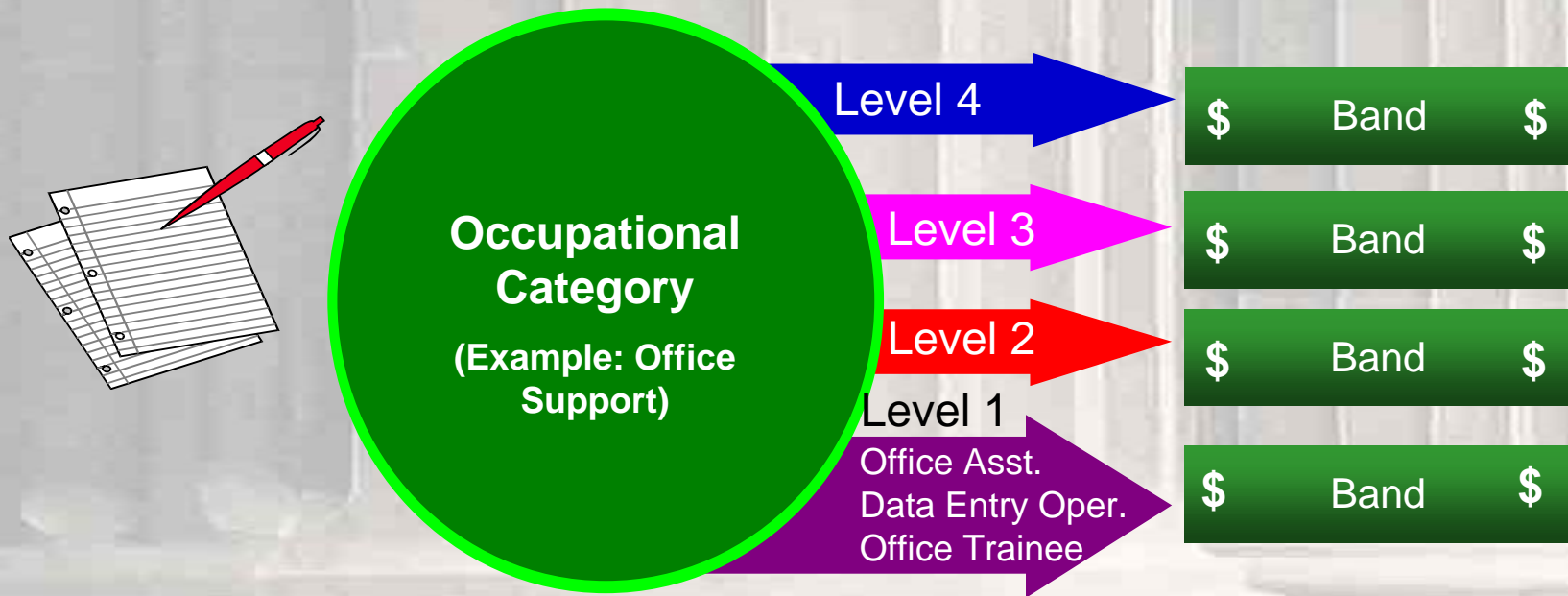


# Examples of Possible Categories





# Assignment of Salary Band



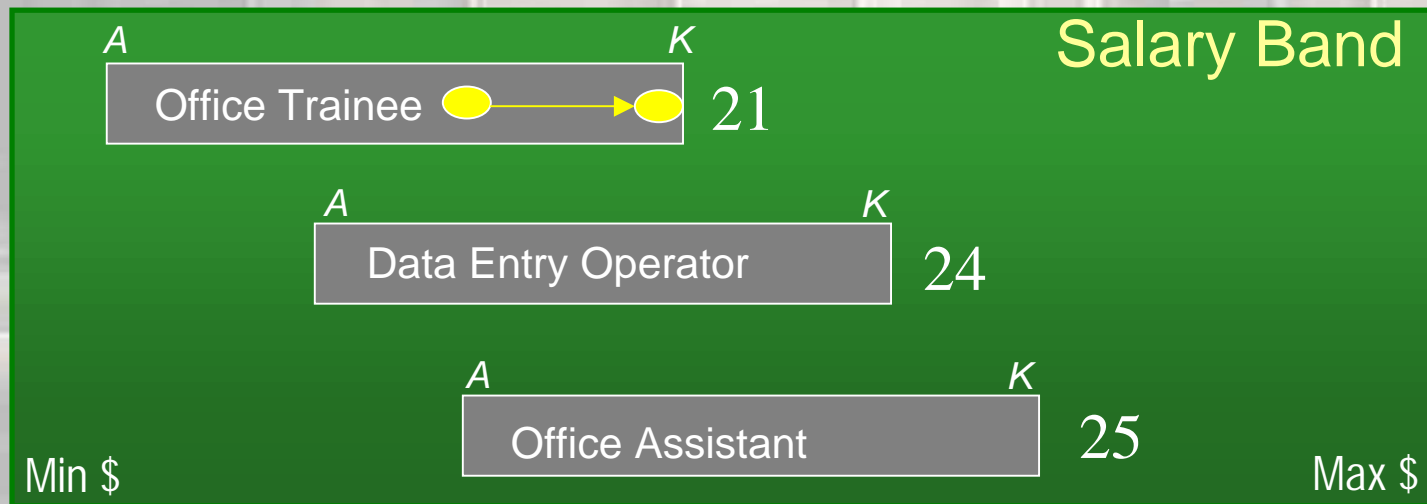
Employee completes position description & manager approves.

Position placed in appropriate occupational category & level.

Position is placed in a salary band/range assigned to the occupational category and level.

# Transition to New System

- ◆ Employees will transition at current salary.
- ◆ If not at step K, will continue to receive longevity increases until reaching the equivalent of step K.

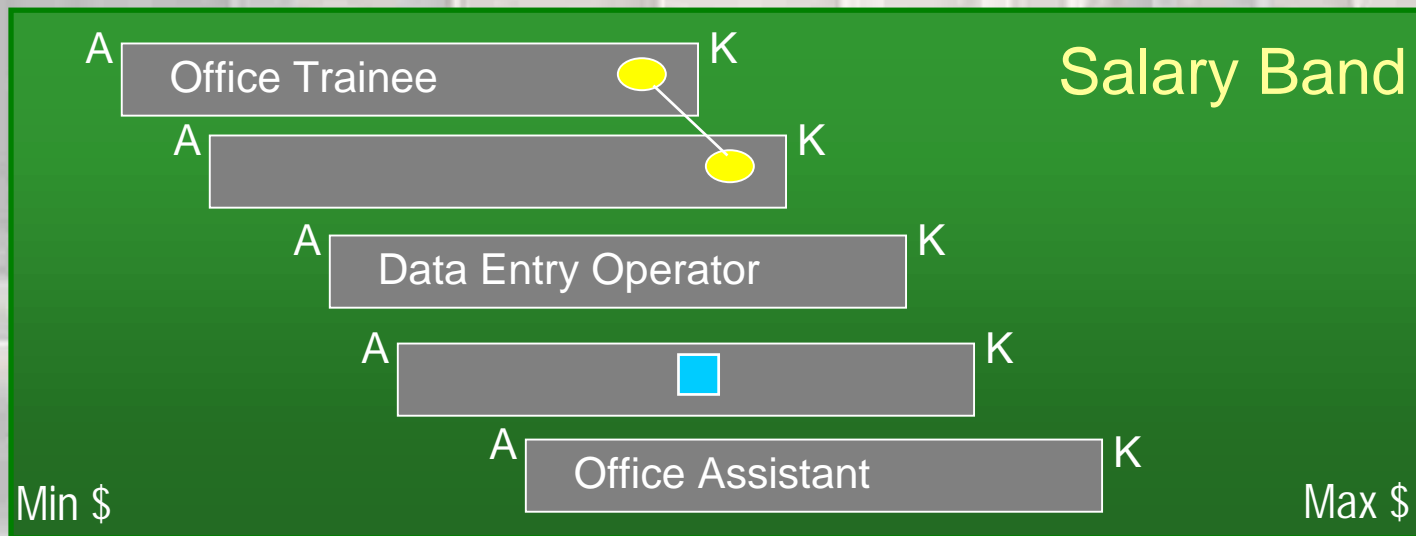


## Office Support - Entry Level

# Salary Assignment

A job evaluation method (JEM) is being considered for determining:

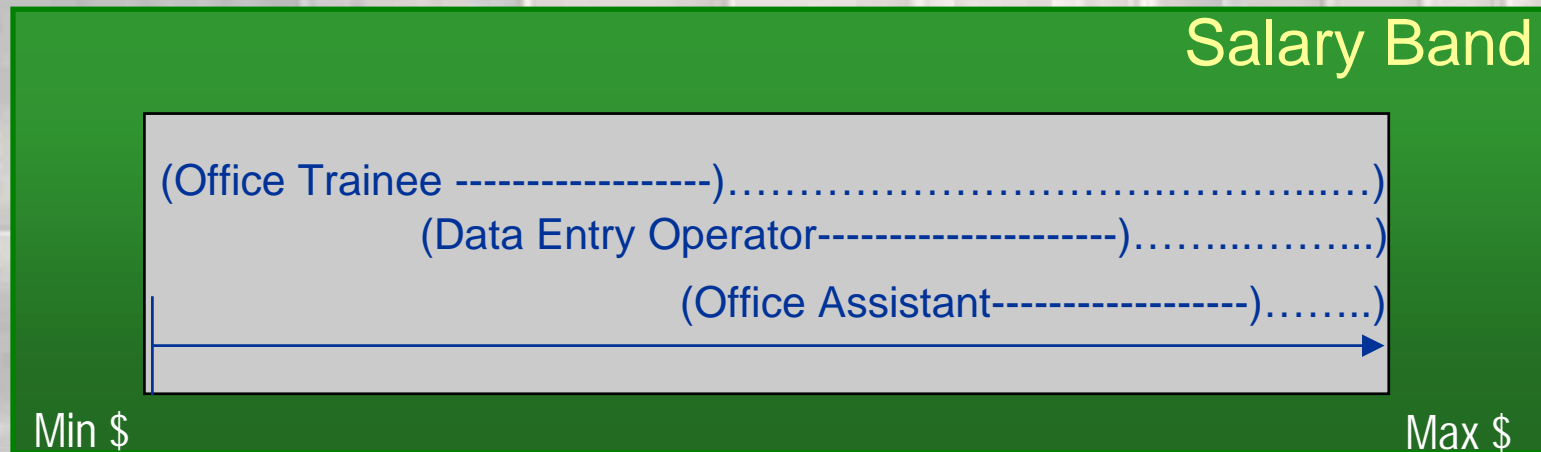
- Salary assignment for a new position, or
- Movement within a level



**Office Support - Entry Level**

# Future Model

- Requires funding and more time
- Within an occupational category, all classes within a level are the same salary range
- Individual classes and Steps A to K are gone
- Movement within salary band requires either longevity steps or “JEM”



## Office Support - Entry Level



# Salary Increases

- ◆ Longevity-based step increases
  - Initially, longevity increases will be retained at the same level as in the current system.
- ◆ Performance/value step increases
  - Agencies/Institutions can accelerate employee's salary growth based on performance.

# Salary Increases (cont.)

- ◆ Other tools to adjust compensation include:
  - Recruitment/retention/geographic pay
  - Assignment pay
  - Skill-based pay
  - Changes in duties and responsibilities
  - Shift differential pay
  - Stand-by pay
  - Call-back pay
  - Overtime

# Recognition Pay

- ◆ Agencies and institutions may award a lump-sum payment to recognize significant individual or team accomplishments.
- ◆ Based on predefined parameters.
- ◆ Not an entitlement; must be re-earned.
- ◆ Organizations would have to budget funds, or possibly use portion of savings generated.
- ◆ DOP will develop broad policy guidance, training, and models

# Readiness Confirmation

- ◆ Organizations must receive a “readiness confirmation” from DOP before using performance as a factor in compensation or other human resource decisions.
- ◆ Would indicate that training, communications, and performance management systems are in place to ensure valid, fair, and equitable decisions.



# Guidance and Monitoring

- ◆ Criteria for salary increases established in rule.
- ◆ Within criteria, agency or institution sets policy, budget controls, management accountability.
- ◆ DOP consults; provides documentation tools, guidelines, and support systems; and monitors statewide trends.
- ◆ All employees will have appeal rights to the Personnel Resources Board for position exemption, allocation, or reallocation.

# Scheduled Work Period

- ◆ Will retain “Scheduled” work period designation.
- ◆ Rules pertaining to schedule changes will be loosened to allow greater flexibility to employee and employer.



# Recruitment & Selection

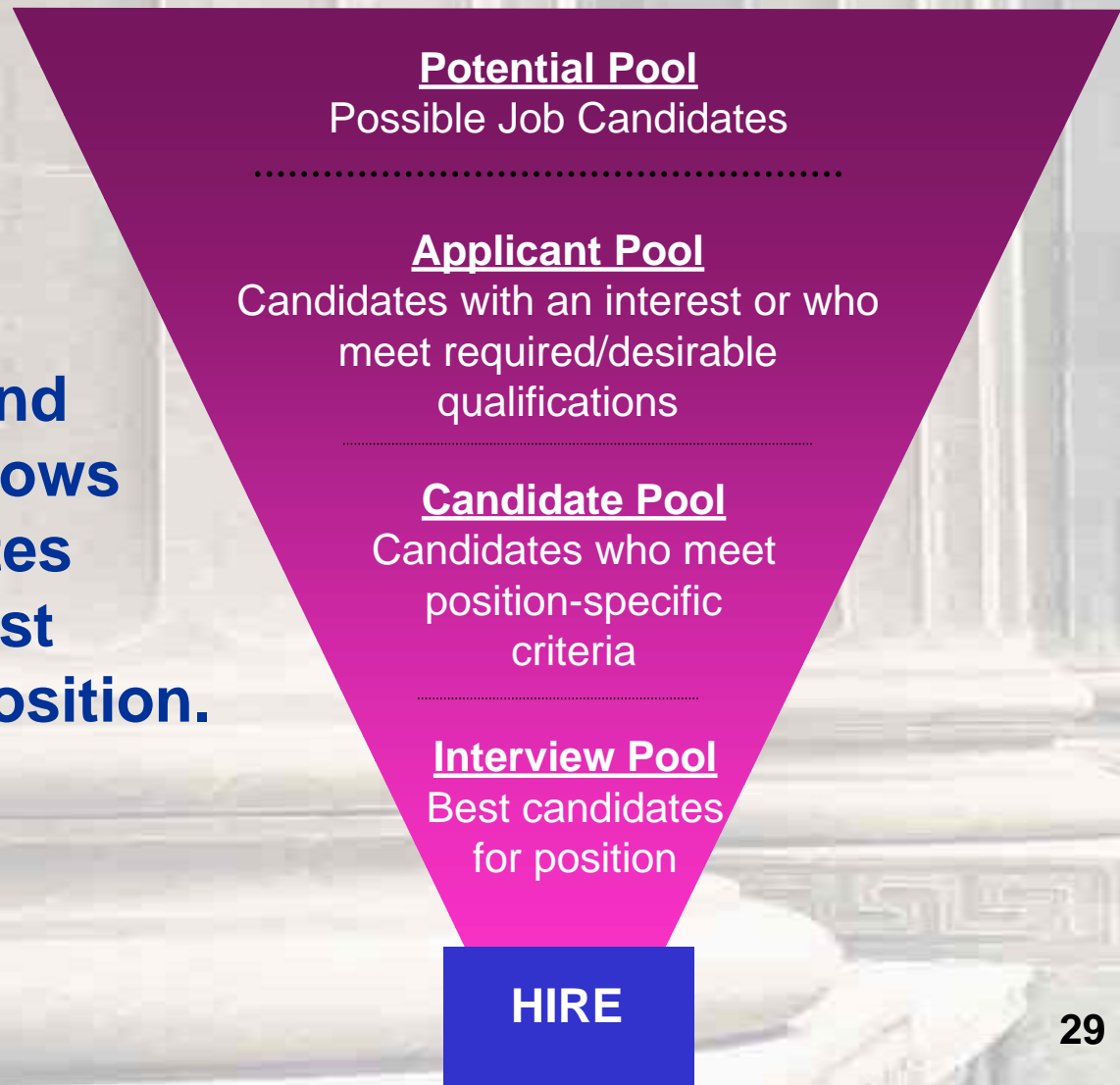


# Customer Research Findings

- ◆ Strong majority of employees, managers, and HR professionals felt that:
  - Applicants should be able to apply for any job at any time
  - Desirable qualifications should be used instead of minimum qualifications
  - Should consider all qualified applicants (no limit on number referred)
  - Candidate screening should be based on position-specific qualifications, rather than those of entire job classification

# Screening for the Position

**Recruitment & Selection process starts out broad and inclusive and narrows available candidates down to those most qualified for the position.**





# Recruitment & Selection Changes

- ◆ Agencies may use DOP's online application and screening process or decentralized processes.
- ◆ Applications can be accepted at any time.
- ◆ Candidate screening is based on position-specific needs rather than job class.
  - Agency/institution determines whether to use minimum qualifications, except when required by law.
  - No classification-based testing requirements.

# Recruitment & Selection (cont.)

- ◆ Each candidate pool will be one unranked list (except for RIF candidates).
- ◆ Agency or institution determines whether and how to provide promotional preference.
- ◆ Candidate referral decentralized to agency.
- ◆ Agency or institution determines how many names to refer - no centrally mandated “rule of X”.

# Probationary/Trial Service Periods

- ◆ Set at 6 months.
  - Probationary period will be 12 months for some job categories and levels.
- ◆ Employers can extend probationary period up to 6 months longer, for a max. of 12 months.
- ◆ Employers may establish review periods for transfers, demotions, and other internal movement appointments.

# Performance Management

A photograph of the North Carolina State Capitol building, featuring its prominent dome and classical columns. The building is set against a clear blue sky. In the foreground, a paved road leads towards the capitol, flanked by green lawns and trees. Several traffic signs, including a 'P' for parking and a 'SPEED LIMIT 20' sign, are visible on the right side of the road. The title 'Performance Management' is overlaid in large, bold, pink text with a black outline.



# Customer Research Results

- ◆ Importance of strong, effective performance management was a prevalent theme.
- ◆ Need to hold managers accountable.
- ◆ Need more flexibility in determining types of rewards.
- ◆ Corrective and disciplinary action processes too lengthy, stressful, and ineffective.
- ◆ Too much tolerance of poor performance, which is demoralizing to good performers.



# Performance Management Tools

- ◆ DOP will provide guidance, training, and tools to help agencies implement a comprehensive performance management system.
- ◆ Organizations must receive a “readiness confirmation” from DOP before using performance as a factor in compensation, layoff, or other key human resource decisions.

# Performance Management Tools

- ◆ Managers and supervisors will be required to have performance management training within 6 months of assuming supv. position.
- ◆ EDPP and MDPP forms will be merged and refined to emphasize performance expectations.
- ◆ DOP will provide supplemental tool(s) for linking performance to pay, layoff, and other key human resource decisions.

# Disciplinary Actions

- ◆ Agencies and institutions may opt to pilot and implement a “positive discipline approach.”
- ◆ Disciplinary process will be streamlined.

# Appeal Rights

- ◆ Employees will have appeal rights to the Personnel Resources Board for the following:
  - Dismissal
  - Suspension
  - Demotion
  - Rules violations
  - Reduction in salary
  - Allocation, re-allocation, and position exemption
- ◆ There will be DOP Director reviews on some additional personnel actions.

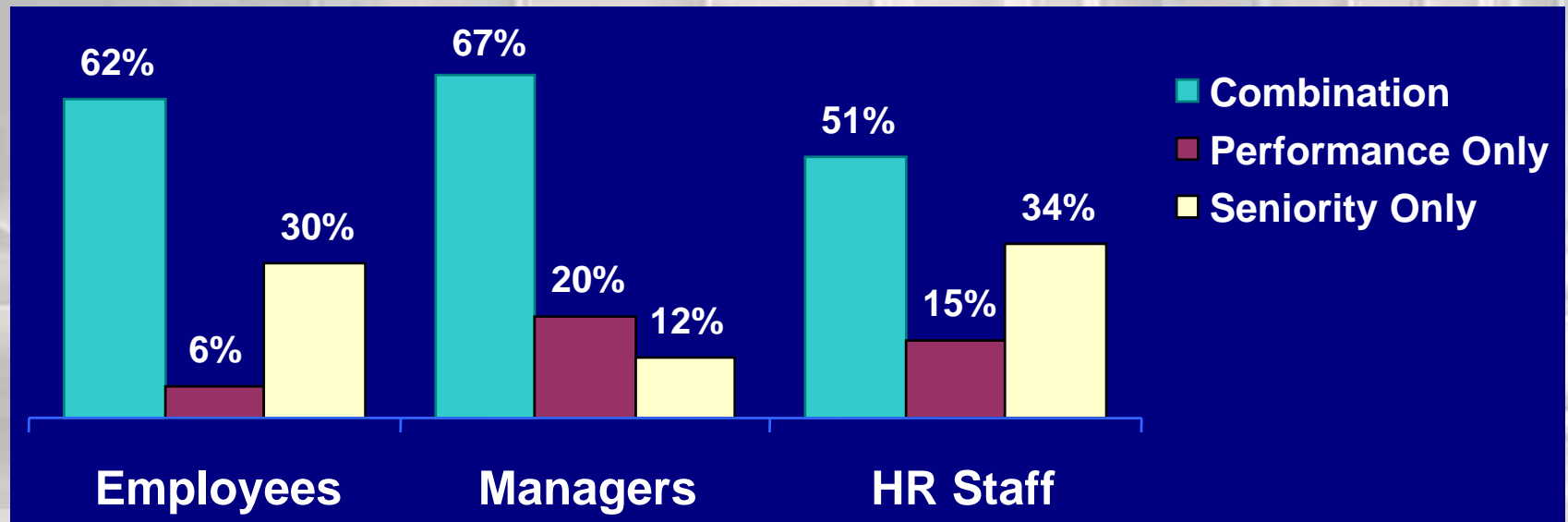


# **Reduction-in-Force**



# Customer Research

Employees, managers, and HR professionals all strongly favor a combination of seniority and performance as the basis for layoff.



# Changes to RIF

- ◆ In addition to seniority, agencies may factor in performance, competencies, and other legitimate business needs when determining who will be laid off.
- ◆ Agency/institution would determine how to incorporate performance or other factors – within DOP guidelines and having received “readiness confirmation.”


# Changes to RIF (cont.)

- ◆ Employee must meet position-specific requirements in order for it to be a layoff option.
- ◆ May consider vacancies where person has not held permanent status.
- ◆ When moving person to a vacancy that would be less pay, may allow to retain current pay level.
- ◆ An employee who has held permanent status in an occupational category will be allowed to bump into lower levels of that category.

# RIF Rehire Lists

- ◆ Agency/institution internal rehire from RIF:
  - Time on list: 2 years
  - Referral: all internal RIF names, plus internal promotional names
- ◆ Statewide rehire from RIF:
  - Time on list: 2 years
  - Referral: all RIF names, plus internal promotional names
- ◆ Employer may require a review period for a RIF appointee.

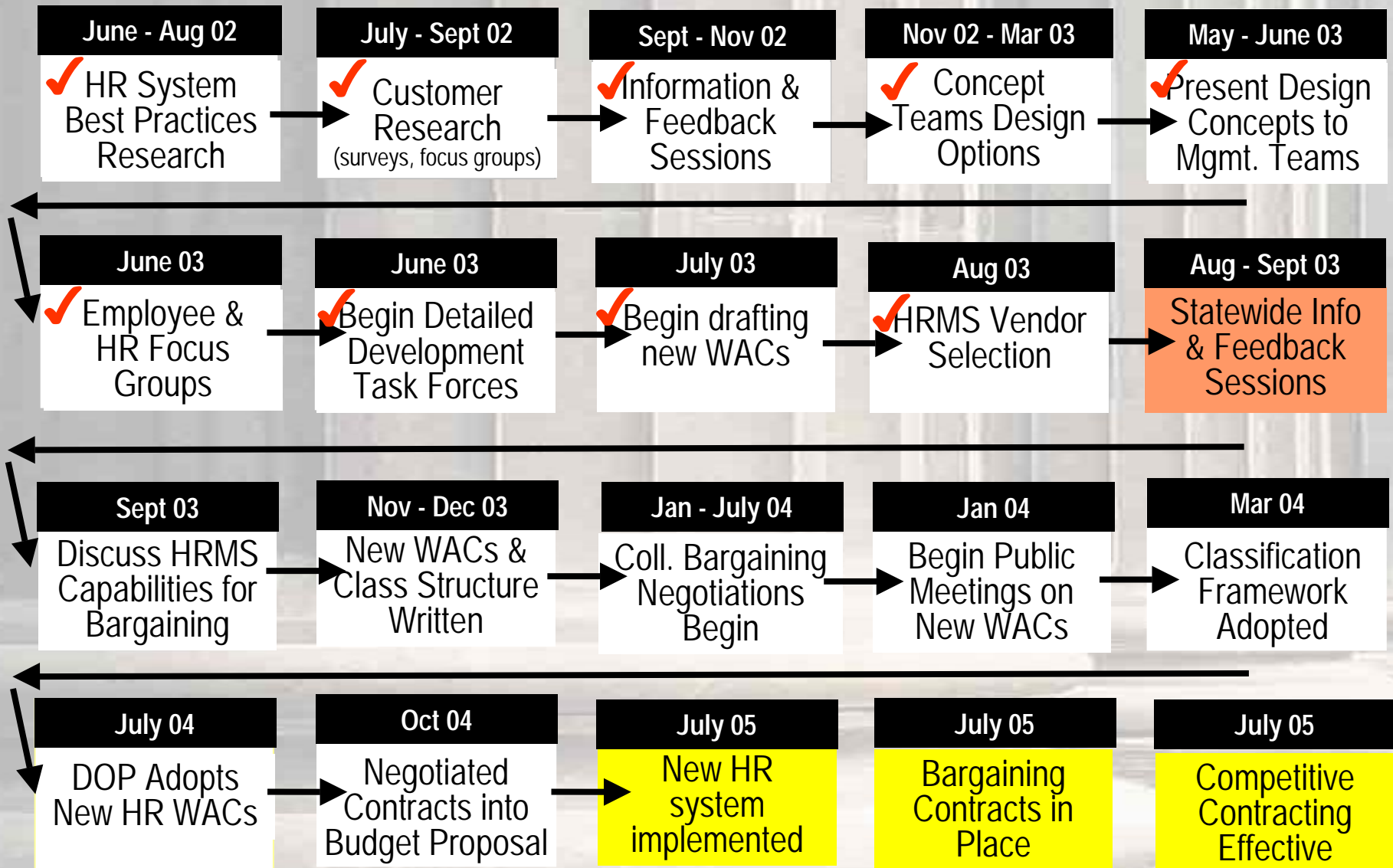




# What's Next?



# Timeline and Next Steps



# Keep Informed

- ◆ Visit our Web site at <http://hr.dop.wa.gov/hrreform>
- ◆ Sign up for HR 2005 listserv (link is on the Web site).
- ◆ Watch for Employee Update newsletters.
- ◆ Visit the Washington Works Web site for information on all facets of personnel reform: <http://washingtonworks.wa.gov>